

Senate Engrossed

State of Arizona  
Senate  
Forty-fifth Legislature  
First Regular Session  
2001

CHAPTER 155

## **SENATE BILL 1290**

AN ACT

AMENDING SECTION 6-635, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1999,  
CHAPTER 203, SECTION 1; RELATING TO CONSUMER LENDERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 6-635, Arizona Revised Statutes, as amended by Laws 1999, chapter 203, section 1, is amended to read:

6-635. Other allowable fees

A. In addition to the finance charges authorized by section 6-632, a licensee may contract for and receive, and collect finance charges on, the following fees:

1. A delinquency charge in an amount equal to five per cent of the amount of any installment not paid in full within seven days after its due date.

2. The actual costs of charges that are paid to a third party who is not an employee of the licensee and that are incurred in making consumer lender loans secured in whole or in part by real property, including the charges for a preliminary title search, title examination and report, title insurance premiums, property survey and appraisal fees.

3. Lawful fees for the acknowledging, filing and recording, continuing or releasing in any public office of any instrument or financing statement evidencing or perfecting a lien or security interest in real or personal property securing a consumer lender loan or the premiums paid for insurance in lieu of filing or recording that shall not exceed the filing or recording fee.

4. A loan origination fee of not more than ~~seventy-five dollars for a secured~~ FIVE PER CENT OF A closed end consumer loan ~~of fifteen hundred dollars or more~~ OR THE AGREED CREDIT LIMIT OF A CONSUMER REVOLVING LOAN BUT IN NO EVENT IN AN AMOUNT THAT IS MORE THAN SEVENTY-FIVE DOLLARS. A licensee shall not charge a loan origination fee:

(a) For the refinancing of a ~~secured~~ closed end consumer loan OR THE RENEGOTIATING OF AN AGREED CREDIT LIMIT OF A CONSUMER REVOLVING LOAN if the refinancing OR RENEGOTIATING occurs within one year of the collection of a prior loan origination fee ~~for the loan~~.

(b) If the licensee charges prepaid finance charges pursuant to section 6-632, subsection E, paragraph 1.

5. Deferral fees authorized in section 6-634 for precomputed consumer loans.

6. Insurance premiums as provided in section 6-636.

7. Court costs.

8. Reasonable attorney fees if the consumer lender loan is referred for collection to an attorney other than a salaried employee of the licensee.

9. Costs, expenses and fees authorized in section 33-813, subsection B for reinstatement of a deed of trust encumbering real property that secures a consumer lender loan.

10. Costs and expenses of exercising the power of sale in a deed of trust encumbering real property that secures a consumer lender loan and costs and expenses of a sale that are included in a credit bid or that are applied

1 from the proceeds of a trustee's sale pursuant to section 33-812, including  
2 the payment of trustee fees and reasonable attorney fees actually incurred.

3 11. Costs and expenses of retaking, holding, preparing for sale and  
4 selling any personal property in accordance with title 47, chapter 9,  
5 article 6.

6 B. If a licensee receives a check, draft, negotiable order of  
7 withdrawal or similar instrument drawn on a depository institution that is  
8 offered by a consumer in full or partial payment on a consumer lender loan  
9 and the instrument is not paid or is dishonored by the depository  
10 institution, the licensee may charge and collect from the consumer a  
11 dishonored check service fee pursuant to section 44-6852.

12 C. In addition to the finance charges and fees provided in this  
13 article, the licensee shall not directly or indirectly charge, contract for  
14 or receive any further or other amount in connection with a consumer lender  
15 loan.

16 D. IN CONJUNCTION WITH THE REPORTING REQUIREMENTS PRESCRIBED IN  
17 SECTION 6-609, ON OR BEFORE OCTOBER 1, 2003 AND EVERY YEAR THEREAFTER, A  
18 LICENSEE SHALL REPORT TO THE SUPERINTENDENT THE NUMBER OF CLOSED END CONSUMER  
19 LOANS AND CONSUMER REVOLVING LOANS UNDER ONE THOUSAND DOLLARS MADE IN THE  
20 PRIOR TWO YEARS.

APPROVED BY THE GOVERNOR APRIL 19, 2001.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 20, 2001.

FAILED

Passed the House April 10, 20 01,

by the following vote: 27 Ayes,

30 Nays, 3 Not Voting

\_\_\_\_\_  
Speaker of the House

Norman L. Moore  
Chief Clerk of the House

Passed the Senate February 21, 20 01,

by the following vote: 24 Ayes,

5 Nays, 1 Not Voting

Robert S. Hart  
President of the Senate

Chas. B. Bingham  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

S.B. 1290

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.


\_\_\_\_\_  
Secretary of State

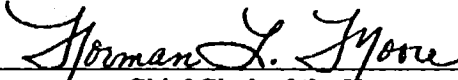
## On Reconsideration

Passed the House April 16, 20 01,

by the following vote: 48 Ayes,

10 Nays, 2 Not Voting

  
Speaker of the House

  
Chief Clerk of the House

Passed the Senate \_\_\_\_\_, 20 \_\_\_\_\_,

by the following vote: \_\_\_\_\_ Ayes,

\_\_\_\_\_ Nays, \_\_\_\_\_ Not Voting

\_\_\_\_\_  
President of the Senate

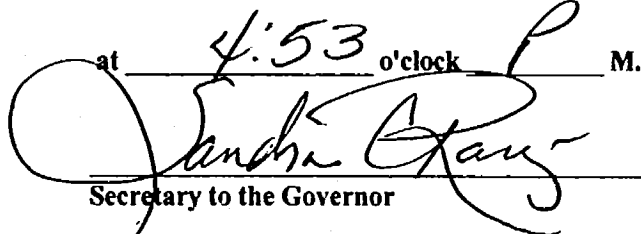
\_\_\_\_\_  
Secretary of the Senate

### EXECUTIVE DEPARTMENT OF ARIZONA OFFICE OF GOVERNOR

This Bill was received by the Governor this

16 day of April, 20 01,

at 4:53 o'clock P M.

  
Secretary to the Governor

Approved this 19 day of

April, 20 01,

at 2:18 o'clock P M.

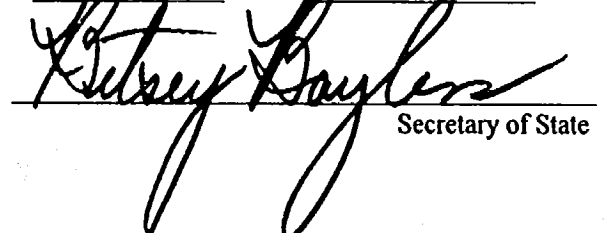
  
Governor of Arizona

S.B. 1290

### EXECUTIVE DEPARTMENT OF ARIZONA OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this 20 day of April, 20 01,

at 12:55 o'clock P M.

  
Secretary of State